



CALIFORNIA STATE BOARD OF EDUCATION ITEM # 28

JUNE 2003 AGENDA

SUBJECT:

2002-03 (and beyond) determination of funding requests from charter schools pursuant to Senate Bill 740 (Chapter 892, Statutes of 2001), specifically Education Code Sections 47612.5 and 47634.2.

<input checked="checked" type="checkbox"/>	ACTION
<input type="checkbox"/>	INFORMATION
<input type="checkbox"/>	PUBLIC HEARING

RECOMMENDATION:

Take action on 2002-03 (and beyond) determination of funding requests from charter schools pursuant to Education Code Sections 47612.5 and 47634.2, based upon the review of the requests and the recommendations prepared by the Advisory Commission on Charter Schools and the California Department of Education.

Summary of Previous State Board of Education Discussion and Action.

Senate Bill 740 (Chapter 892, Statutes of 2001) enacted provisions of law calling upon charter schools to prepare and the State Board to act upon determination of funding requests relating to pupils who receive nonclassroom-based instruction (in excess of an amount of nonclassroom-based instruction that the statute allows as part of classroom-based instruction). The State Board adopted regulations (in keeping with SB 740) to define certain terms and establish criteria for the evaluation of determination of funding requests. The State Board also established the Advisory Commission on Charter Schools to provide (among other things) recommendations on the implementation of the provisions of SB 740.

Summary of Key Issue(s).

Under SB 740, an approved determination of funding is required (beginning in 2001-02) in order for a charter school to receive funding for pupils receiving nonclassroom-based instruction (in excess of the amount of nonclassroom-based instruction that the statute allows as part of classroom-based instruction). Beginning in 2002-03, determination of funding requests are allowed for multiple years. All requests in 2001-02 were for that year only.

The Advisory Commission on Charter Schools considered a number of 2002-03 (and beyond) determination of funding requests at its meeting on May 22, 2003.

Fiscal Analysis (as appropriate).

A determination of funding request approved at less than the 100 percent level may result in slightly reduced apportionment claims to the state. The reductions in claims would result in a proportionate reduction in expenditure demands for Proposition 98 funds. All Proposition 98 funds, by law, must be expended each fiscal year. Thus, a reduction in apportionment claims may be more accurately characterized as an expenditure shift than as absolute savings under typical circumstances. However, if total claims for Proposition 98 funding are greater than available funds in a given year, then the reduction in apportionments attributable to nonclassroom-based instruction may be regarded as a reduction in the deficit for that year.

Background Information attached to this Agenda Item.

The listing of specific recommendations is attached. Information submitted by each school and the analysis of that information prepared by CDE staff are available for public inspection at the State Board Office.

Attachment To Agenda Item Regarding
2002-03 (And Beyond) Determination Of Funding Requests
June 2003

The tables below reflect the recommendations of the Advisory Commission on Charter Schools and California Department of Education staff regarding 2002-03 (and beyond) SECOND determination of funding requests submitted by charter schools. All Advisory Commission recommendations were by unanimous vote of the members present, except as noted.

RECOMMENDED FOR 100 PERCENT FOR ONE YEAR ONLY

Charter #	Charter School Name	Recommended Level	Recommended Year(s)
#20	Santa Barbara Elementary Charter School*	100%	One year only 2002-03
#257	Sanger Hallmark Charter School**	100%	One year only 2002-03

[* Second determination of funding request intended to replace an existing determination of funding at the 80 percent level.]

[** Second determination of funding request intended to replace an existing determination of funding at the 70 percent level.]

The reasons justifying a level higher than 80 percent - or, in the case of Sanger Hallmark Charter School (#257), the already-approved level of 70 percent - in 2002-03 are that (1) the school met the minimum criteria specified in regulation for the 100 percent level and (2) the school presented sufficient evidence (taking the totality of the request into account along with any other credible information that may have been available) that the 100 percent funding level is necessary for the school to maintain nonclassroom-based instruction that is conducted for the instructional benefit of the student and is substantially dedicated to that function.

RECOMMENDED FOR 100 PERCENT FOR THREE YEARS

Charter #	Charter School Name	Recommended Level	Recommended Year(s)
#22	Grass Valley Charter School*	100%	Three years 2002-03, 2003-04, and 2004-05

[* Second determination of funding request intended to replace an existing determination of funding at the 100 percent level for one year only (2002-03).]

The reasons justifying a level higher than 80 percent in 2002-03 and higher than 70 percent in 2003-04 and thereafter are that (1) the school met the minimum criteria specified in regulation for the 100 percent level and (2) the school presented sufficient evidence (taking the totality of the request into account along with any other credible information that may have been available) that the 100 percent funding level is necessary for the school to maintain nonclassroom-based instruction that is conducted for the instructional benefit of the student and is substantially dedicated to that function.

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RECOMMENDED FOR 80 PERCENT FOR ONE YEAR ONLY

Charter #	Charter School Name	Recommended Level	Recommended Year(s)
#282	Eagles Peak Charter School*	80%	One year only 2002-03
#370	Wheatland Charter Academy**	80%	One year only 2002-03

[* Second determination of funding request intended to confirm an existing determination of funding at the 80 percent level for one year only (2002-03). The Advisory Commission's recommendation on this determination of funding request was made by a vote of 7-1.]

[** Second determination of funding request intended to replace an existing determination of funding at the 70 percent level for one year only (2002-03). The Advisory Commission's recommendation on this determination of funding request was made by a vote of 7-1. Technically, the CDE staff recommendation on this request had been to confirm the existing 70 percent level. However, the State Superintendent's designee supported this recommendation, thus indicating a change in the CDE position.]

The 80 percent level, as recommended, is consistent with the level specified in statute for 2002-03. No reasons justifying a higher or lower level are necessary. In the case of Wheatland Charter Academy (#370), the 80 percent level is recommended based upon the consideration of a mitigating factors related to (1) the effect of a charter school revolving loan on total revenues and (2) the closeness of the percentage of funds expended for instruction and related services to the specified threshold.

Information regarding each of the above-mentioned determination of funding requests is available for public inspection at the State Board Office.